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Message Text

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42 L
ACTION NEA-10

INFO OCT-01 AF-08 ISO-00 EB-07 TRSY-02 OMB-01 SS-15 SP-02

NSC-05 L-03 H-02 COME-00 ACDA-07 OES-06 CIAE-00

INR-07 NSAE-00 CCO-00 /076 W
---------- 103398
P 171225Z OCT 76
FM AMEMBASSY KUWAIT
TO SECSTATE WASHDC PRIORITY 6448
INFO AMEMBASSY ABU DHABI
AMEMBASSY AMMAN
USINT BAGHDAD
AMEMBASSY CAIRO
AMEMBASSY DAMASCUS
AMEMBASSY DOHA
AMEMBASSY JIDDA
AMEMBASSY KHARTOUM
AMEMBASSY MANAMA
AMEMBASSY MUSCAT
AMEMBASSY TEL AVIV

C O N F I D E N T I A L KUWAIT 4887

E.O. 11652: N/A
TAGS: EGEN, ETRD, PFOR, KU
SUBJ: CONCERN ABOUT OCTOBER 18 ARAB BOYCOTT CONFERENCE FOCUS
ON US FIRMS/ANTI-BOYCOTT MEASURES

REF: (A) STATE 254029, (B) KUWAIT 4850, (C) STATE 250117,
(D) STATE 254030

SUMMARY: TALKING POINTS RE OCTOBER 18 BAGHDAD BOYCOTT CONFERENCE WERE DISCUSSED AND LEFT WITH KUWAIT FOREIGN MINISTRY OFFICIAL RESPONSIBLE FOR ARAB ECOMONIC AFFAIRS OCTOBER 16. HE AGREED WITH NEED TO AVOID HASTY ACTIONS IN RESPONSE OF SOPHISTICATED WEAPONS FOR ISRAEL WOULD BE INCENTIVE FOR "HOTHEADS" TO CALL FOR SOME DECISIVE ACTION IN RESPONSE. OFFICIAL EXPRESSED INTEREST IN POINTS THAT BOYCOTT NOT DEPRIVE EGYPT OF NUCLEAR TECHNOLOGY
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AND THAT CALIFORNIA ANTI-BOYCOTT LAW IMPLICATIONS UNCLEAR.

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HE WAS RECEPTIVE TO US CONCERNS AND PROMISED TO PASS TALKING POINTS AND SUMMARY OF DEMARCHE TO KUWAIT DELEGATION PRIOR TO ITS DEPARTURE FOR CONFERENCE. GOK UNLIKELY EVER PUBLICLY TO ACCEPT POSITIVE CERTIFICATION OR DROP SECONDARY BOYCOTT, BUT IN PRACTICE FORMER ACCEPTED AND LATTER IGNORED. END SUMMARY.

1. ECONOMIC/COMMERCIAL SECTION CHIEF BUCK CALLED ON FOREIGN MINISTRY OFFICIAL IN CHARGE OF ARAB ECONOMIC AFFAIRS, ABDULLAH ABDULRAZZAK, OCTOBER 16 TO REVIEW CONCERNS RE OCTOBER 18 ARAB BOYCOTT CONFERENCE AND TO DISCUSS POSITIVE CERTIFICATION AND SECONDARY BOYCOTT. DRAWING ON REFS A, C AND D, BUCK EMPHASIZED BREADTH AND DEPTH OF US CONCERN OVER BOYCOTT, ADVANTAGES OF POSITIVE VS. NEGATIVE CERTIFICATION, NEGATIVE EFFECT OF SECONDARY BOYCOTT ON US PUBLIC OPINION, AND IMPORTANCE OF AVOIDING HASTY RESPONSES TO RECENT ANTI-BOYCOTT LEGISLATION, ESPECIALLY WHEN IMPLICATIONS OF LEGISLATION UNCLEAR.

2. QUITE FAMILIAR WITH THE US POLITICAL ENVIRONMENT AFTER A NUMBER OF YEARS SERVICE WITH FORMER AMBASSADOR TO THE US (NOW ACTING FOREIGN MINISTER) SHAIKH SALEM AL-SABAH, ABDULRAZZAK AGREED WITH THE NEED TO AVOID HASTY ACTIONS. HOWEVER, HE NOTED THAT THERE WERE MANY "HOTHEADS" AMONG THOSE DOING THE STAFF WORK ON VARIOUS DELEGATIONS TO THE BAGHDAD CONFERENCE. THE RECENT REPORT OF WHITE HOUSE AGREEMENT TO PROVIDE VERY SOPISTICATED WEAPONRY TO ISRAEL WOULD BE AN INCENTIVE FOR MANY AT THE CONFERENCE TO CALL FOR SOME DECISIVE ACTION IN RESPONSE. IF THE US POSITION ON ARAB BOYCOTT WAS BECOMING CONFRONTATIONAL, THEN ARAB POSITION WOULD BECOME EQUALLY SO, ABDULRAZZAK SAID. HOWEVER, ABDULRAZZAK HASTENED TO ADD THAT HE AND HIS GOVERMENT HOPED BOYCOTT CONTROVERSY WOULD NOT DEGENERATE TO SUCH A STAGE, AS GROWING TRADE IN MUTUAL ARAB/US INTEREST.

3. ABDULRAZZAK WAS THEN GIVEN COPY OF TALKING POINTS RELATING TO OCTOBER 18 BAGHDAD MEETING. DISCUSSION OF THESE AND QUESTION OF POSITIVE VS. NEGATIVE CERTIFICATION AND SECONDARY BOYCOTT WENT AS FOLLOWS:

(A) POSITIVE CERTIFICATION: ABDULLRAZZAK READILY AGREED WITH THE ADVANTAGES OF POSITIVE CERTIFICATION IN US CONTEXT. HOWEVER HE DOUBTED HIS SUPERIORS AT THE MINISTRY COULD PUBLICLY ACCEPT CONFIDENTIAL

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POSITIVE CERTIFICATION AS A KUWAITI POLICY, ESPECIALLY SINCE THE US ITSELF REQUIRED NEGATIVE CERTIFICATION IN THE ENFORCEMENT OF NUMEROUS BOYCOTTS OF ITS OWN.

(B) SECONDARY BOYCOTT: LIKE MANY KUWAITI OFFICIALS, ABDULRAZZAK WAS UNFAMILIAR WITH THE SECONDARY BOYCOTT. HOWEVER, HE SAID THAT, GIVEN KUWAIT'S POLICY OF BEING "PURER THAN THE PURE" IN ENFORCEMENT OF THE BOYCOTT, HE DOUBTED THAT KUWAIT WOULD EVER

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GO ON RECORD AS DISASSOCIATING ITSELF FROM ANY ASPECT OF THE BOYCOTT, INCLUDING SECONDARY BOYCOTTS.

(C) POLICY RE FIRMS IN NUCLEAR FIELD: ABDULRAZZAK NOTED THAT AMERICAN FIRMS GOING AGAINST US POLICY BY NOT SELLING TO ISRAEL WAS A US MATTER. CONTRIBUTION OF INDIVIDUAL US NUCLEAR FIRM'S COOPERATION WITH ISRAEL TO STRENGTH OF THAT COUNTRY WOULD OBVIOUSLY AFFECT DECISION ABOUT ITS BEING PLACED ON BOYCOTT. ON OTHER HAND, IT WOULD BE IMPORTANT THAT EGYPT NOT BE DEPRIVED OF US NUCLEAR TECHNOLOGY BECAUSE OF BOYCOTT ACTION.

(D) CALIFORNIA ANTI-DISCRIMINATION/ANTI-BOYCOTT LAW: ABDULRAZZAK SAW NO PROBLEM IN ANTI-DISCRIMINATION ASPECTS OF LAW. AS FOR SECONDARY BOYCOTT, FACT THAT ONE US FIRM DEALT WITH ANOTHER FIRM WHICH DID BUSINESS WITH OR IN ISRAEL WOULD NOT IN ITSELF BE GROUNDS FOR BOYCOTT ACTION AGAINST FORST FIRM. ABDULRAAAZK SEEMED IMPRESSED BY POINT THAT ACTION SHOULD NOT BE TAKEN IN RESPONSE TO LAW WHOSE INTERPRETATION OPEN TO QUESTION.

(E) MEMBERSHIP IN US ISRAEL JOINT BUSINESS COUNCIL: ABDULRAZZAK ACCEPTED POINT THAT US FIRM SHOULD NOT BE PENALIZED FOR MEMBERSHIP OF ONE OF ITS OFFICERS IN US-ISRAEL JOINT BUSINESS COUNCIL RESULTING FROM RESPONSE TO SPECIFIC REQUEST BY USG. HOWEVER, HE NOTED THAT INDIVIDUAL WAS PROBABLY CHOSEN BECAUSE HE WAS ARDENT BACKER OF ISRAEL, AND SUCH ACTIVITY COULD LEAD MAN'S FIRM INTO DIFFICULTY WITH BOYCOTT. BOYCOTT PROBLEM HENCE WOULD NOT ARISE FROM MEMBERSHIP IN US-ISRAEL JOINT BUSINESS COUNCIL, BUT FROM INDIVIDUAL/FIRM'S ACTIVITY IN SUPPORT OF ISRAEL.

4. COMMENT: ABDULRAZZAK SAID HE WOULD PASS COPY OF TALKING POINTS ONTO KUWAI BOYCOTT OFFICE IMMEDIATELY. HE GAVE IMPRESSION THAT KUWAITIS SYMPATHETIC TO ARGUMENT THAT RASH ACTIONS AT CONFIDENTIAL

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OCTOBER 18 BOYCOTT CONFERENCE IN RESPONSE TO ANTI-BOYCOTT MEASURES WOULD NOT BE IN ARAB INTEREST. ON LONGER-TERM QUESTIONS OF POSITIVE CERTIFICATION AND SECONDARY BOYCOTT, WE FEAR FURTHER DEMARCHES COULD PROVE COUNTERPRODUCTIVE. LOCAL LAWYER TOLD US OCTOBER 11 THAT BOYCOTT OFFICE HAD JUST ACCEPTED POSITIVE CERTIFICATION FROM AMERICAN FIRM AND HAD INDICATED IT HAS ACCEPTED POSITIVE CERTIFICATION IN THE PAST AND WOULD DO SO WHEN REQUESTED IN THE FUTURE. HOWEVER, IF GOK IS ASKED FORMALLY WHETHER IT WILL ACCEPT POSITIVE CERTIFICATION AS A GENERAL POLICY THE ANSWER, AS ABDULLRAZZAK INDICATED, IS LIKELY TO BE A FIRM NO. SAME HOLDS TRUE FOR REQUEST TO DROP SECONDARY BOYCOTT, ABOUT WHICH, IN PRACTICE, KUWAITIS DO NOT CONCERN THEMSELVES AND, THEREFORE, DO NOT ENFORCE.
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